

Staff and Pensions Committee

10 March 2025

Review of the Minutes of the Fire Local Pension Board Meeting, 4 November 2024

Recommendation

That the Staff and Pensions Committee receive, consider and comment on the minutes of the meeting of the Warwickshire Fire Local Pension Board on 4 November 2024.

1. Executive Summary

- 1.1 The minutes of the meeting of the Warwickshire Fire and Rescue Local Pension Board on 4 November 2024 are attached as an appendix. Notable points are outlined below with updates included where matters have progressed since the Pension Board meeting.
- 1.2 Administration of the firefighter pension schemes is outsourced to West Yorkshire Pension Fund (WYPF).

2. Age Discrimination Remedy (“McCloud”)

- 2.1 The regulations have now been revised so affected members can have their contributions calculated using a net amount. The previous method of using gross amount was ruled to be unfair to active members of the scheme.
- 2.2 New guidance has been issued by HMRC’s Governance Actuary Department regarding red cases and how some of them should be processed. However, guidance does not make it clear how all red cases should proceed. The Pension Advisory Service (PAS) has written to Local Government Association (LGA) to request guidance on how these cases should be processed and is awaiting a response.
- 2.3 The deadline for processing cases is 31 March 2025; those that are not processed by the deadline will need to be reported to the Pensions Regulator. The PAS is receiving monthly updates from WYPF on numbers of cases progressed.

3. Second Modified Retained Exercise (“Matthews”)

- 3.1 Following the legal case of Matthews, this project allows firefighters who worked as retained officers between 1 April 2000 and 30 June 2000 to purchase pension service from their start date up to 31 March 2015.
- 3.2 HMRC has confirmed further details around the calculations that are being used. Additional lump sums had been confirmed as being authorised payments, so the previous unauthorised payment charge payable by the pension holder and the scheme sanction charge payable by the employer no longer applies. Any arrears will be charged using the current tax rates, which means some people may be in the higher bracket due to the arrears.
- 3.3 A consultation around the deadline for the project being extended from 31/03/25 to 31/03/26 is underway, closing mid-February. The consultation also details queries around death benefits and conversion of service.
- 3.4 The PAS continues to calculate cases for members who have returned an expression of wish, with members now also returning positive elections to purchase service.

4. Risk Register

- 4.1 The risk register for the Firefighters’ Pension Scheme has been updated in line with the updated risk scoring method used by the Council, which is now based upon likelihood score multiplied by impact scores.
- 4.2 Scoring in relation to a pandemic risk has been reviewed and reduced. The highest risk rating in the register relates to cyber security.

5. National Pension Dashboard

- 5.1 All pension funds with over 100 members must connect to the national pensions dashboard, a project that will allow members to log in and see all their pension information, including state pension, in one place, securely, and online. Connection of the firefighters’ pension scheme to the national dashboard must be achieved by 31st October 2025.
- 5.2 A ‘nudge’ campaign has recently taken place as a reminder to schemes to have the necessary infrastructure ready for the full launch of the dashboard in October 2025. WYPF have completed purchase of the service provider and tested this during 2024.
- 5.3 WYPF is updating the PAS with a monthly newsletter detailing actions that have been undertaken, upcoming activities and responsibilities of the FRA.

6. Financial Implications

- 6.1 Any additional lump sums or pensions payable as a result of the Second Modified Retained Exercise or the Age Discrimination Remedy will be funded by the government via the Fire Pensions Top-Up Grant. Associated internal project costs are funded from the Warwickshire Fire and Rescue Service revenue budget.

7. Environmental Implications

- 7.1 None.

8. Supporting Information

- 8.1 None

9. Timescales associated with the decision and next steps

- 9.1 None.

Appendices

1. Minutes of the meeting of the Local Fire Pension Board held on 4 November 2024

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: Cllrs Butlin, Dahmash, and Gifford